ST ALBANS DIOCESAN SYNOD

14 March 2026

QUESTIONS – FIRST NOTICE PAPER

Questions expected to be answered in the first question block on the revised Synod agenda

1) The Revvd Steven Sivyer (Buntingford Deanery) to ask the Bishop of Bedford:

'Being the only Anglican Church in Royston, the Parish Church of St John the Baptist is a broad church and we celebrate the breadth of expression of Christian faith here. As we are broad, we went through an extensive discernment process as part of Living in Love and Faith and in response to the Prayers of Love and Faith, including the possibility voiced at the time that it would become possible to have stand-alone services. Some people, from a more theologically conservative stance, were of the view that offering these prayers would be wrong. Some other people were not clear of their theological position but were uncomfortable about being confronted with these prayers during a regular service because they recognised that they had been conditioned by the culture of the time when they were growing up. Other people, a majority of people, felt that it was right to offer these prayers as part of Christ's ministry to people within a homosexual relationship who approached the church. When the Ministry Leadership Team and the PCC prayerfully discussed everyone's responses, they discerned that to offer the Prayers of Love and Faith would preferably be offered as stand-alone services rather than during a regular service. This was not in order to mimic a marriage service, but out of recognition and respect for the diversity of views, feelings and theological stances held within the congregation. It was not felt that this rationale was considered as part of the Living in Love and Faith process and, now this has been wound up by the bishops, confirmed by General Synod, can you please explain how the preference for stand-alone services and the rationale for this can be expressed and considered as part of any future discernment by the bishops and General Synod?'

The Bishop of Bedford will respond:

Thank you for your question and for the considered way in which you and your colleagues in Royston have responded to the LLF process. Following the General Synod motion in February, and the decision not to progress Bespoke (Standalone) Services at this time, such services are not authorised within the Church of England. It is reasonable to expect that the Relationships, Sexuality and Gender Working Group once established will invite opinions and questions from individuals and parishes. You may also want to brief the Diocesan General Synod Representatives.

2) The Revd Edward Keene (Stevenage Deanery) to ask the Director of Mission and Ministry:

'*Each year for the month of October each church submits Sunday congregational attendance figures for adults, and separately, under 16s. Please would the director share with Synod a graph depicting these statistics across the Diocese of St Albans over the last 20 years?'*

The Director of Mission and Ministry will respond:

Attached as Appendix 1 is the Average Sunday Attendance (October count) for the Diocese of St Albans from 2004 to 2024, showing adults and children separately. Figures are drawn from Church of England Statistics for Mission data - Resources, publications, and data | The Church of England. The full 2025 data is not yet available.

3) The Revd Edward Keene (Stevenage Deanery) to ask the Diocesan Secretary:

Please would the secretary provide Synod with a graph depicting the Diocesan staff headcount (and full time equivalent), as well as the number of stipendiary parochial clergy beneficed in the Diocese over the last 20 years? '

The Diocesan Secretary will respond:

Attached as Appendix 2 is the number of DBF staff shown by headcount and full time equivalent from 2005 to 2025. This graph identifies funding sources for these posts.

Attached as Appendix 3 is the number of stipendiary parochial clergy beneficed in the diocese from 2005 to 2025.

4) Mr James Stewart (Sharnbrook Deanery) to ask the Chair of the DBF:

'Many parishes have to rely solely on the generosity of their church members to pay all their ministry costs, maintain their church buildings and pay their parish share. Does the DBF consider that an annual parish share request of £750 per person (over £2,000 for a family of three) is sustainable for the average church-going family? And can the DBF commit to doing everything it can to ensure that future increases in parish share per church member do not exceed the increase in the cost of living?'

The Chair of the DBF will respond:

The DBF members are very aware of the financial pressures within parishes, not least because 17 of the 21 current DBF members are parish clergy and laity. The DBF is very aware of the reliance on the generous giving of individuals to maintain the diocesan economy, and specifically the life of parishes.

The stipend, housing and other direct costs for a full-time incumbent status member of clergy for a parish or benefice is £81,900 in 2026. The amount that needs to be covered, across the diocese, by parish share is reduced by income from investments and parochial fees, which leaves a sum of £62,800 to be covered by parish share requests.

The parish share request per person is uncomfortable. It reflects both the costs referred to above, which are in direct support of ministry, and the number of people in our churches. Realistically the very best way to address the parish share request per person is for there to be more people in our churches and more generous givers.

I should add two further points. First, the DBF wants to do all it can to limit parish share requests but also has responsibility in other areas including the wellbeing of clergy. Over the past four years stipends for incumbents have increased by 23.5%, whilst the average cumulative movement in parish share requests has been an increase of less than 0.5%. This has been possible because of our total return investment policy, reduced contributions to the clergy and church workers pensions schemes (but not reduced pensions) and through cost control and reductions.

Second, the DBF recognises that significant other costs fall on parishes, including the upkeep of church buildings. The national church collect parish financial statistics, with 2024 bring the last year for which data is available, Based on a 78% response rate and submission of data from our parishes, total income of parishes in this diocese was £35.6 million, of which £29.8 million was unrestricted and £19.8 million regular committed giving, parish share payments received by the diocese were £12.8 million or 36% of total parish income.

5) Ms Emma Robarts (Buntingford Deanery) to ask the Chair of the DBF:

'Have all employees, advisers and committee members of St Albans diocese been shown the written answer to Q197 asked at the February 2026 General Synod meeting (see page 80 here: https://www.churchofengland.org/sites/default/files/2026-02/questions-notice-paper-february-2026-final.pdf), and have they been expressly warned that they must never link the provision of a priest to a parish's payment of parish share, otherwise the parish share may cease to be a voluntary donation for which Gift Aid is available and become a payment for the supply of a service, meaning that the Diocesan Board of Finance will become liable to pay VAT on the supply?'

The Chair of the DBF will respond:

Leadership in the diocese is aware of the General Synod question and answer referred to. The DBF and other governance bodies are clear that there is not a direct link between provision of a stipendiary clergy and a parish's parish share contribution. The parish share system in this diocese generates requests to parishes who respond based on the resources available to them and parish priorities. I am very pleased to say that 65% of parishes were able to make a contribution in 2025 at the full level of parish share request.

At the same time, the DBF and all governance bodies are keenly aware of the need for financial viability in both the diocese and parishes. Declining church attendance identified in answer to another question has been a fact over the past 20 years, and indeed for longer. As a consequence, there needs to be a continuing review process of all income and expenditure within the diocese, leading to annual budgets brought to Synod for approval.

6) Mr David Roberts (St Albans Deanery) to ask the Bishop of Hertford:

'Could you please, in the light of media reaction, explain:

i. the reasons for a diocesan call for safeguarding information and a listening exercise in respect of St Andrew, Chorleywood; and

ii. the reasons for evangelical theology and practice being excluded from these procedures.'

The Bishop of Hertford will respond:

We have taken the step of issuing a call for information and a listening exercise in respect of St Andrew's, Chorleywood, following several recent disclosures of non-recent harm experienced by individuals at the church. Prompted by those disclosures we wanted to ensure that any further survivors of harm have an opportunity to be heard and supported. Hence the call for information and listening exercise. I want to make it clear that this is not about the current safeguarding culture and practice at St Andrew's which has been audited by the safeguarding team and found to be compliant with expected standards. I hope that synod will understand that for reasons of confidentiality I cannot go into further details.

The call for information and listening exercise is not seeking to make any judgement on particular theological positions or ways of expressing faith and worship. Hence why evangelical theology and practice have been excluded except where directly relevant to patterns of harm or unhealthy leadership behaviour. The exercise is not an investigation or a review into past teaching or practices, it is primarily being run to allow individuals to report concerns, tell their stories, and be listened to and allow the diocese to identify support needs and respond appropriately.

7) Canon Peter Adams (Luton Deanery) to ask the Bishop of Hertford:

'Like many in the diocese I was concerned to learn of the need for an information and listening exercise regarding allegations of possible abuse and harmful behaviour connected to St Andrews Chorley Wood. Would you please update synod with regard to what we can know at this stage on the case, and would you report at its conclusion on how parishes and the diocese might better conduct their governance to ensure better safeguarding?'

The Bishop of Hertford will respond:

As I am sure people will understand, due to issues of confidentiality which rightly protect survivors of harm, I am limited in what I can share at this stage. However, what I can share is that everyone who has reported harm has received a timely response. In every case appropriate support has been offered. For some individuals, simply being listened to and taken seriously has been sufficient. All have been offered pastoral support, and in some cases, funded therapeutic support has also been provided.

Where any risks have been identified, these are being managed in line with national safeguarding guidance. Reporting obligations to statutory agencies are being met, and appropriate information sharing is taking place where required.

When launching the exercise, the Safeguarding Case Management Group, which is overseeing the exercise, committed to providing a summary report at the end of the exercise which will be the end of June 2026 but may be slightly later to ensure the process is completed thoroughly and responsibly. When that summary is published there will, of course, be an opportunity to reflect more widely on lessons learnt. When doing so it will be important to remember that the timeframe being looked at pre-dates much of our current safeguarding work which has already strengthened the practice and governance of safeguarding in our parishes.

Questions expected to be answered in the second question block on the revised Synod agenda

8) Dr Hannah Kinsey (Stevenage Deanery) to ask the Diocesan Secretary:

'The diocese affirms its care for clergy wellbeing but no other regular diocesan funding is available for clergy to make non-urgent repairs or improvements to their property. As such, if clergy want to conduct non-urgent repairs or improve the quality of their living conditions, they (and their families) are faced with a choice of either:

1. *Waiting for the property team to decide they will fund a home improvement OR*
2. *Paying for the improvement themselves*

Neither of these choices are ideal. Clergy in my deanery have had to wait (in some cases) years for a reply from the property team on requesting a home improvement, only for it to be denied. In Stevenage Deanery alone there are vicarages with cracks in the ceiling, holes in the fence, black mould in the utility room, and kitchens over 40 years old.

The second choice guarantees the home improvement but at the personal cost to the clergy and their families. Hence, in order to provide a third viable option to clergy (and their families), please would the DBF expand the criteria for the regular 'decoration' grant to include the following:

- *Fixtures in the vicarage house e.g. light fittings, curtain rails, door handles, hooks, integral wardrobes and shelves, and tiles (i.e. anything that is fixed to the property)*
- *Fixtures in the vicarage garden e.g. patios, garden sheds*
- *Flooring in the vicarage e.g. carpets, hard floors*
- *Professional services e.g. cleaners/gardeners/pest control*
- *Home security e.g. alarms, cameras, improved fencing/border measures/gates*
- *Energy-saving measures e.g. solar panels/electric charging points/secondary glazing'*

The Diocesan Secretary will respond:

The Property Committee has committed to review the criteria for Decoration Grants at its next meeting.

Several items listed in the question are the responsibility of the clergy occupier, not the DBF, regardless of the grant criteria. Diocesan policies on what improvements are the responsibility of the clergy occupier and what the DBF can fund are contained in the Clergy Housing Handbook.

Synod may find it helpful to be reminded that grants are made to clergy on first appointment (£3,335) and on relocation to a new role (£3,335 plus removal expenses and up to £1,000 for decoration). Arrangements have also been made for an additional grant of £1,000 to be made to all clergy appointed to incumbent status positions by an independent local trust.

9) Dr Hannah Kinsey (Stevenage Deanery) to ask the Diocesan Secretary:

'If the DBF expands the criteria for the 'decoration' grant then we can anticipate that £250 per year of home improvements would not go far. Please would the DBF therefore increase the budget for this grant to £500 per year per parsonage?

By giving clergy (and their families) the means to improve their homes, this will improve clergy wellbeing, improve the housing stock the diocese holds, and reduce the burden on the property team in the long-term for arranging works to be done in vicarages since the clergy themselves will be responsible for sourcing contractors, quotations and arranging a suitable time/date for works to be carried out.'

The Diocesan Secretary will respond:

The Property Committee agreed in November 2025 to increase the Decoration Grant in 2026 to £500. This was notified in the Clergy Housing Bulletin distributed on 26 February 2026.

Synod may find it helpful to know that the grant is available to all clergy in approximately 230 houses There were 49 grants applied for and approved in 2025, but only 27 grants were claimed by clergy.

10) Mr James Stewart (Sharnbrook Deanery) to ask the Chair of the DBF:

There appear to be significant anomalies in two pieces of the information presented to Synod for the previous meeting. Can the DBF confirm the correct numbers?
<u>Designated funds</u>
The answer to the question from Emma Robarts, asking for a breakdown of the total value of the DBF's Designated Funds and specific purposes for which they are reserved, indicated that the total value of these funds was £2.4m. This appears to have been incorrect as the £6.3m in Property Ring-fenced fund was not included.
<u>Church membership figures</u>

The "Church Member Figure" presented in the budget of 24,553 (which resulted in a "Parish Share per Church Membership" of £571) appears to the more than 30% higher than the Church Membership Figure actually calculated by the Diocese, based on the Electoral Roll and Usual Sunday Attendance.

The Chair of the DBF will respond:

There was no intention of misleading Synod.

Whilst the Property Ring Fenced Fund is technically a designated fund, it is of a different nature, size and longevity than other designated funds. The DBF has confirmed that the purpose of the PRFF is (1) to relieve pressure on the costs for maintaining and improving parsonage houses, including the replacement of unsatisfactory parsonages and corporate properties with more appropriate properties, and (2) to release inefficient capital from some properties to more effectively deploy it in more suitable locations. Additionally, the DBF has confirmed that whilst the PRFF is a designated fund, it should not be included in the assessment of funds available as reserves in the event of financial and operational difficulties outside the area of clergy housing.

The Church Member Figure quoted in the budget paper is unintentionally misleading, for which I apologise. The actual figure based on Usual Sunday Attendance and Electoral Roll was 18,274. However, for the purposes of the parish share formula calculations this number is adjusted based on application of the Parish Share Factor.

The Parish Share Factor, determined at Deanery level, is a factor between 0.25 and 3.0 used to derive the number of 'shares' for the parish. The Parish Share Factor seeks to recognise variations between parishes in 'ability to pay'. The 24,553 figure is used to set the Ministry Support Contribution for each parish. This approach does not impact on the total value of the Ministry Support Contribution, but it does impact on how it is divided between parishes. The descriptive title used in the budget paper should have been different.

I acknowledge that the Parish Share per Church Membership" of £571 was based on the adjusted figure as a denominator. It would have been more appropriate to use 18,274 as the denominator to calculate this sum and to state the number as 'Parish Share per Church Member (as calculated within the parish share formula)'.

11) Ms Emma Robarts (Buntingford Deanery) to ask the Chair of the DBF:

'Since 2022, significant sums have been set aside from parish share for grants to parishes to help fund mission and net zero carbon projects (including as I understand it a grant for the Alban Way, which is a diocesan project). To help PCCs to get a picture of what is available, could the DBF please provide a breakdown, by parish, of the amounts committed since 2022, the name of the applicant, the purpose for which each grant has been awarded and the current balance which remains unspent?"

The Chair of the DBF will respond:

The total sum allocated to be invested in parishes through direct grants and support from 2022 has been £1,642k. The decision to make funds available for parish investment arose from the adoption of a total return investment policy in 2022, increasing the income received from a number of diocesan funds. Whist the return received from the Diocesan Stipends Fund and the Glebe Fund can only be used for the payment of stipends and other direct costs of clergy engagement, the additional income overall released income from other sources to be designated for parish investment. Decisions on the allocation of funds for parish investment has been made by Bishop's Council and primarily administered through the DBF's Parish Grants Committee.

Bishop's Council and DBF are very conscious of the importance of ensuring this money helps as many parishes as possible as effectively as possible. There is therefore a balance between direct parish grant schemes for a range of purposes and some funding for parish-facing support officer posts and diocesan projects.

Allocation by parish of grants to contribute to mission initiatives and net zero carbon grants is shown in Appendix 4. The total allocation made by Bishop's Council for these purposes was £1,170k at 31 December 2025, of which £985k had been committed in grant offers by the Parish Grants Committee or committed by the Mission and Ministry team as small grants.

In this period a further £322k was allocated by Bishop's Council for parish facing support across the diocese:

- £60k initial funding for a diocesan net zero carbon officer with focuses on churches, clergy housing and church schools, subsequently funded by a national church grant.
- £100k for church energy audits and clergy housing EPC plus assessments.
- £12k for parish digital giving devices.
- £50k to enable support for parishes to develop local income initiatives for three years.
- £60k for minor repair and improvement grants for parishes to enable continuity in availability of these grants to bridge a gap in national church funding.
- £40k to maintain support for The Alban Way because of a delay in availability of funding from a successful SMMIB bid, recognising that The Alban Way is operating as a critical component in encouraging and developing clergy and lay vocations.

Of the £322k committed for these purposes £180k had not been spent by 31 December 2025, but much of this expenditure will fall in the first half of 2026.

In addition, £150k remained unallocated by Bishop's Council at 31 December 2025. This sum has formed part of an allocation made on 2 March 2026 for mission initiatives, rural projects and parish grants for projects to reduce church heat loss, energy consumption and costs in line with the Diocesan Synod's net zero carbon commitment.

Synod members will be aware that several of the items above are in fulfilment of policies approved at Synod and/or have been discussed in previous Synod meetings.

12) The Revd James Sawyer (Buntingford Deanery) to ask the Diocesan Secretary:

'The Net Zero Carbon subcommittee of the Diocese Environmental Group worked diligently to identify and recommend cost efficient initiatives to deliver permanently lower energy bills for parishes, clergy housing and schools, with the happy consequence of also lowering carbon emissions. Now that the designated fund from Total Return has been removed from the 2026 budget:
(1) how might the diocese provide encouragement and financial support to parishes and clergy wanting to have more efficient and lower cost heating and make progress towards NZC and
(2) how can the diocese address the NZC agenda in respect of the properties and activities for which it is responsible?'

The Diocesan Secretary will respond:

I offer mixed news in response to this question. At its meeting on 2 March Bishop's Council allocated £99k of existing designated funds for net zero carbon initiatives to add to the unspent allocation currently held for parish grants (£118k at 31 December 2025) and church energy audits and clergy housing EPC plus assessments (£44k at 31 December 2025). The DBF will also consider a budget for the Diocesan Pastoral Account in May, in which it may be possible to include some further targeted initiatives previously discussed by the Net Zero Carbon subcommittee.

The removal of the proposed £500k designated fund from the budget for 2026 led to the DBF deciding that the sum should be directed to a further increase in the property budget for 2026. Additional activity planned because of this funding is focused on improvements that will improve clergy wellbeing and comfort by addressing energy efficiency and energy costs, mainly through improved insulation and heating systems and with the additional benefit of reducing carbon emissions.

Alongside these relatively small sums we continue to receive modest allocations of national church funding for individual projects, but these too are small contributions alongside the scale of net zero carbon implementation. Accessing external grant support for major projects remains critical to making significant progress in moving towards net zero carbon.

Whilst access to diocesan or national church funds is limited, we are able to support and encourage parishes and the diocese with technical expertise and advocacy. We have secured national church funding for a further three years employment of the Net Zero Carbon Officer (to 2029). The is within our collaboration with four other eastern region dioceses. Together these dioceses have also secured national church funding for a regional net zero carbon fundraising adviser, thereby giving access for the diocese and parishes to secure information about external funding opportunities. Synod should be aware that funding for these two posts was available for these specific staff positions only.

13) The Revd Cllr Robert Donald (St Albans Deanery) to ask the Chair of the DBF:

'During the debate at the last Synod meeting on the Diocesan Budget 2026 and Parish Share it was clear that many members were very concerned and frustrated at the lack of relevant financial information provided regarding the capital budget and its impact on the Common Fund revenue budget presented. The Chair of the Diocesan Board of Finance reassured members that the process had been consistent with the relevant Synodical Government Measure 1969 and "that it followed the practice adopted in previous years."

Can the Chair please explain the legal fiduciary responsibilities of Diocesan Synod and the Diocesan Board of Finance respectively regarding approval of the annual diocesan budget? '

The Chair of the DBF will respond:

Attached as Appendix 5, and answering this question, is a paper from the Diocesan Registrar requested by the DBF to confirm the financial relationship and respective responsibilities of the DBF and Synod.

14) The Revd Cllr Robert Donald (St Albans Deanery) to ask the Chair of the DBF:

'The Chair helpfully undertook that in future "the DBF would broaden the scope of information shared with Synod" and "look to expand the remit of the Common Fund Budget Committee in preparation of budget proposals" to include detail of the relevant diocesan capital budget and its relationship with the Common Fund's income and expenditure.
Can he now confirm:
a) this information will be provided for the next 2027 Diocesan Budget process? and,
b) the additional information provided will include details of the capital programme for the refurbishment of clergy homes together with a schedule of prioritised works by reimprovement category over the next 5+ years?'

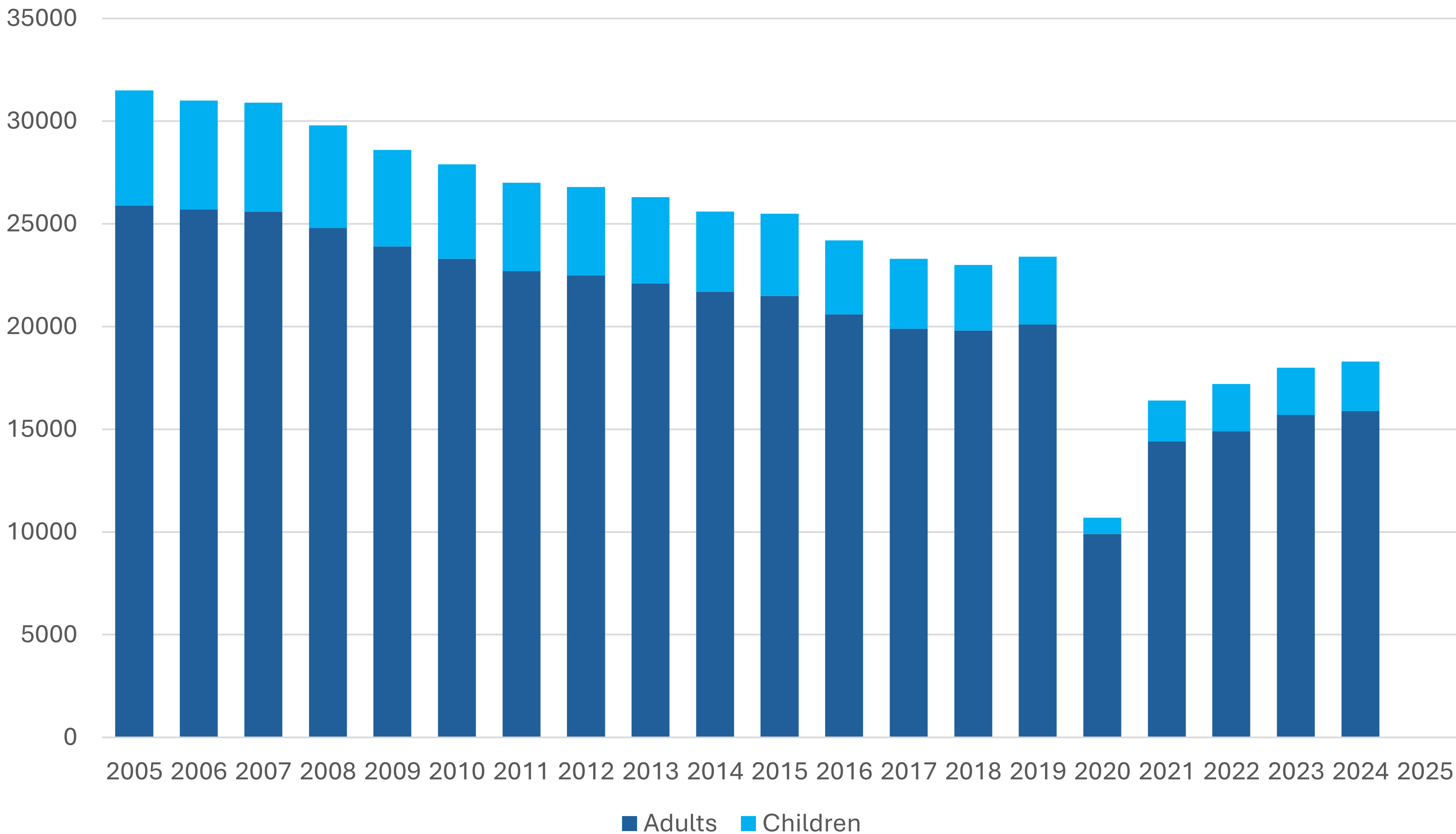
The Chair of the DBF will respond:

I am pleased to confirm, as will be stated in the business items at Synod, that the DBF has agreed a new budgeting approach and that a budget for 2027 to cover all diocesan funds will be presented to Synod in October. The Common Fund Budget Committee has new terms of reference, has been renamed Budget Committee and has strengthened membership.

The budget will include narrative description and financial information about the proposed property budget for 2027 and the approach being taken on the maintenance, improvement and replenishment of the parsonage estate.

Appendix 1

St Albans Average Sunday Attendance 2005-25

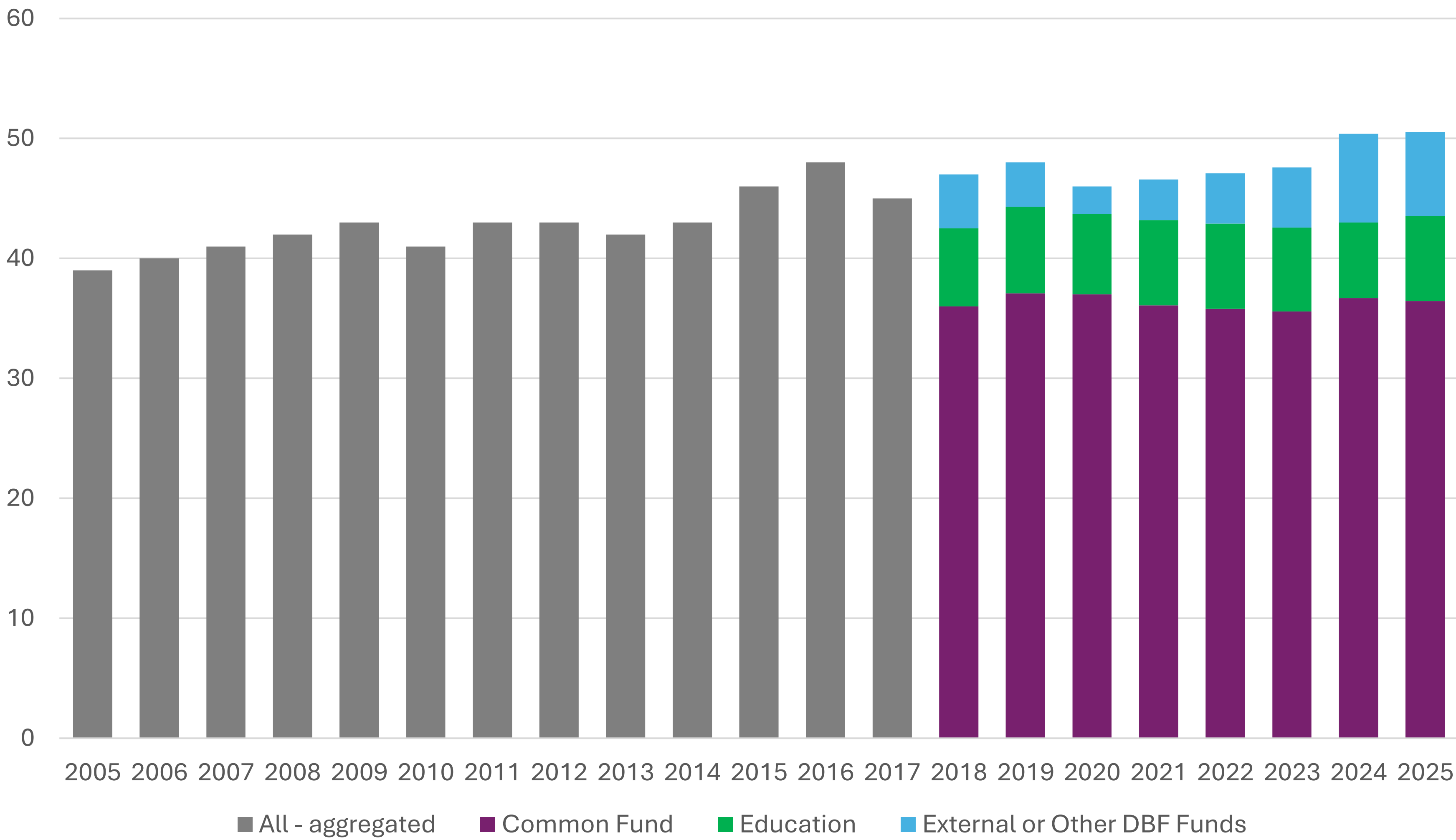


Source: Church of England Statistics for Mission – data for 2025 not yet available, preliminary data shows Usual Sunday Attendance up 4.0% for adults and 3.9% for children on 2024.

Appendix 2

St Albans DBF Staffing 2005-25

DBF Staffing in full time equivalent by funding source

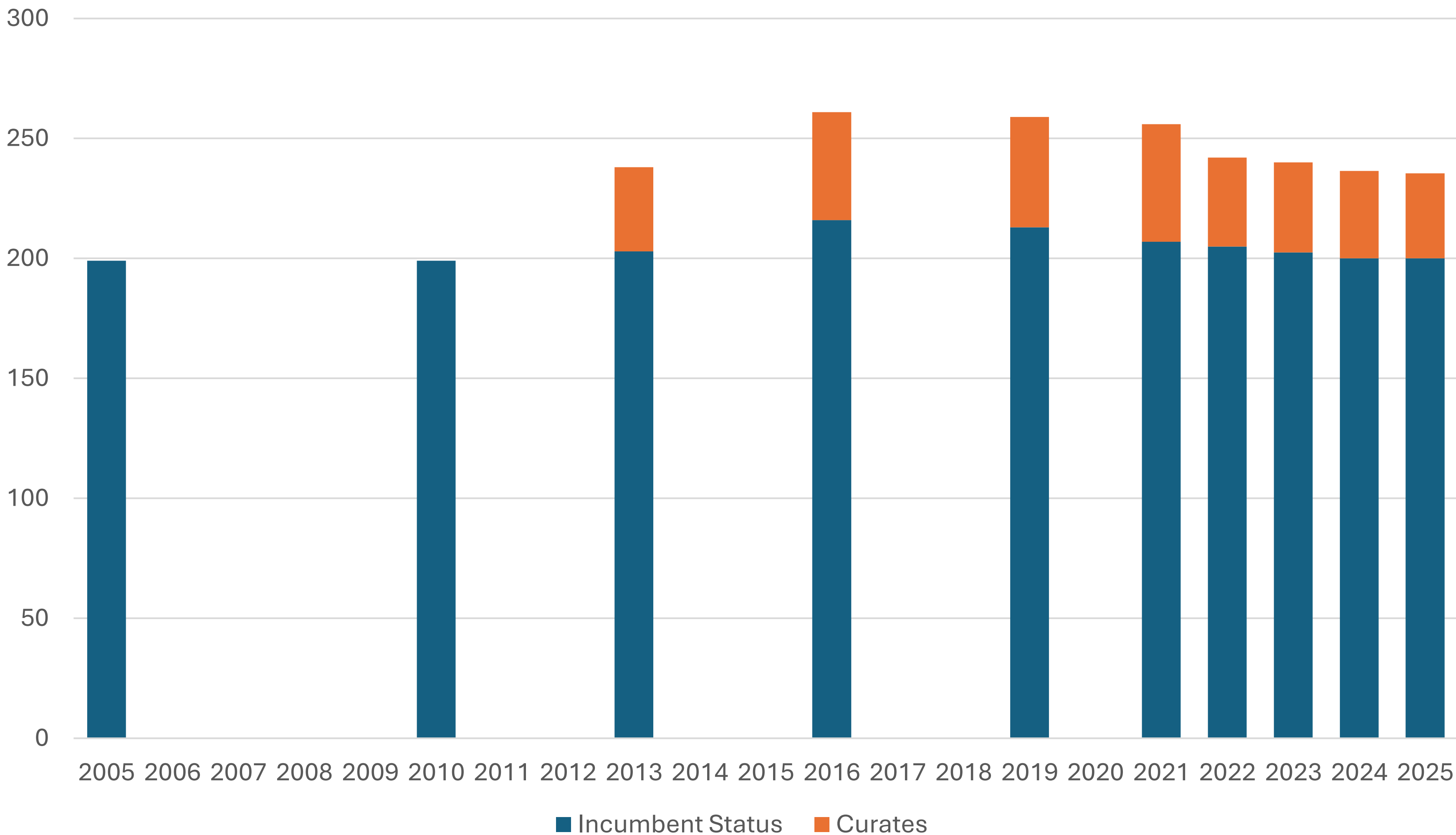


Source: Statutory Accounts and internal records

Appendix 3

St Albans Parish Clergy 2005-25

Incumbent status Clergy and curates deployed in parishes



Source: Internal deployment records – not available for all years

Schedule of Grants to parishes from Designated Funds 2022-25

Parish	Amount	Project
Mission Initiative Grants Awarded		
Archdeaconry of Bedford		
Bedford, St John & St Leonard	15,000	Children's Worker paid over 3 years
Christ Church, Bedford	30,000	Youth & Student worker paid over 3 years
Farley Hill, St John	10,000	Continued funding of Youth Worker (bridging funding pending SMMIB award)
Goldington	5,000	Children and Families Minister - one off payment towards existing role
Leagrave	41,112	Membership involvement coordinator paid over 3 years
Luton, St Francis	40,000	Youth Ministry Coordinator paid over 3 years.
Luton, St Hugh, Lewsey	15,000	Continuation of Youth work paid over 3 years
Riseley	7,900	Children & families worker increased hours paid over 3 years
	164,012	
Archdeaconry of Hertford		
Bishop's Hatfield St John	135,000	Youth workers paid over 3 years
Bishop's Hatfield St Michael & St John	15,050	Employment of Operations Manger (bridging funding pending SMMIB award)
Broadwater, Stevenage	19,500	Noisy Church Project paid over 3 years
Oak Church Stevenage	15,450	Operations and Safeguarding Lead paid over 3 years
Royston	27,000	Director of Music Outreach paid over 3 years
Stevenage, St Nicholas	35,000	Lay Assistant Minister paid over two years.
	247,000	

Schedule of Grants to parishes from Designated Funds 2022-25

Parish	Amount	Project
Archdeaconry of St Albans		
Chorleywood, St Andrew	63,286	Assistant Youth Pastor paid over 3 years
Chorleywood, Christ Church	45,000	Recruitment of Ministry Trainees paid over 3 years
Letchworth, St Paul	25,000	Associate Vicar paid over 4 years
Letchworth, St Paul	15,000	Continuing grant for Associate Vicar paid over two years
Marshalswick	14,066	Family Church Project paid over 3 years.
Redbourn	40,000	Musical Outreach Director paid over 3 years
Sarratt & Chipperfield	21,000	Children and Families Minister paid over 3 years
St Albans Cathedral	10,000	Children & Families worker paid over 3 years
St Albans, St Paul	60,000	Youth minister paid over 3 years
Stotfold	20,000	Improved facilities for missional activities
Watford St John	12,498	School Chaplain paid over 3 years
Watford St Peter	20,000	Youth and Families Pastor
Watford, Christ Church	16,000	Children, Youth and Families worker
Wilbury	8,500	Children & Families worker paid over 2 years
	370,350	
Small Grants	31,250	Administered by Mission and Ministry team, grants of up to £1,000
Total Mission Initiative Grants	**812,612**	

Schedule of Grants to parishes from Designated Funds 2022-25

Parish	Amount	Project
Parish Net Zero Carbon Grants		
Archdeaconry of Bedford		
Husborne Crawley	1,292	Electric infra-red heating
St Augustine Limbury	5,000	Electric Heating
	6,292	
Archdeaconry of Hertford		
High Wych	5,500	Under pew heating
Stevenage, St Peter Broadwater	18,000	Insulation and heat pump
Northaw & Cuffley	25,000	Heating system replacement
Hertford St Andrew	7,613	New heating system
	56,113	
Archdeaconry of St Albans		
Leverstock Green	7,599	Lighting and under-pew heating
Sarratt	24,400	Boiler replacement and heaters
Sunnyside, St Michael & All Angels	25,000	Hall Insulation
St Albans, St Saviour	10,000	Heat mats
Bovingdon	25,000	NZC Element of Patience Project
Letchworth St Paul	2,400	Lighting
Harpenden	16,167	New heating system. Further request to committee March 26.
	110,565	
Total Parish Net Zero Carbon Grants	**172,970**	

Winckworth Sherwood

Diocesan Board of Finance and Diocesan Synod: financial responsibilities

Diocesan Boards of Finance (DBFs) have a rather complex existence in English law, straddling the secular and the ecclesiastical domains.

As viewed from the perspective of the general law, they are constituted as companies registered under the Companies Act.[1] As charitable companies, they are also registered with the Charity Commission. The day-to-day management of charitable companies is vested in their directors, who are thereby also charity trustees. The normal expectation on directors and charity trustees is that they should each exercise independent judgment in making decisions in the best interests of the organisation they run, and that they should not normally allow non-directors/trustees to influence their decision-making. For the sake of good practical governance, any significant organisation which carries on an active charitable business will need to be managed by a governing body of a sensible size, able to meet sufficiently frequently and carry out a sufficient scrutiny of the charity's activities.

As important bodies within the Church's corporate structure, DBFs are also governed by ecclesiastical law. Although DBFs have their own corporate existence, they are also treated as a committee of the diocesan synod.[2] This status might be said to give the diocesan synod a degree of superintendence over the Board as its finance committee. This position is confirmed by section 3(1) of the Diocesan Boards of Finance Measure 1925, which requires all DBFs to *"comply with such directions as may from time to time be given to the Board by the Diocesan Synod"*. It seems to me that this provision is intended to allow the diocesan synod to set an overall strategic direction – perhaps in a similar way to the ability of shareholders to do so at a company's AGM – but it would be a surprising outcome in terms of normal charity governance were this power to be used to intervene in day-to-day management decisions.

Alongside the above considerations, we see in section 4(2)(d) of the Synodical Government Measure 1969 – in a provision added in 2003 – that one of the functions of a diocesan synod is *"to consider proposals for the annual budget for the diocese and to approve or disapprove them"*.

Given all of the above, I have been asked to express a view on the extent to which diocesan synod oversees the application by the Diocesan Board of Finance of its funds. My view is as follows.

It is clearly intended by the 1969 Measure that diocesan synods should be able to consider and approve (or otherwise) proposals for the annual budget for the diocese. This does give diocesan synod an important role in overseeing the core financial activity of the DBF, given that the DBF is the financial executive and custodian of the diocese. This function of the diocesan synod is regulated by the standing orders of the diocesan synod – in particular SO87 to SO98.

The relevant legislation does not itself directly regulate the financial decision-making of DBFs.[3] Instead, as noted above, it provides that approving the budget is a function of the diocesan synod and requires the DBF to comply with directions of the diocesan synod. In my view, those synodical directions include general directions set out in the standing orders of the diocesan synod. In this regard, SO94 requires the DBF not to *"expend or engage to expend any of the synod's funds for which it is responsible without the authority of [a money resolution]".*

It is important to balance the synodical function of budget approvals with the trustee function of managing the charity. In my view, the phrasing of the synodical function – to *"consider proposals for the annual budget and to approve or disapprove them"* strongly suggests that those proposals

1 s1(2) Diocesan Boards of Finance Measure 1925

2 s1(2)(b) Diocesan Boards of Finance Measure 1925

3 However, DBFs are subject to specific legislation governing elements of their work. By way of example, the Diocesan Stipends Funds Measure 1953 sets out in some detail how the diocesan stipends fund is to be maintained and applied, including how directions as to application may be given. DBFs may also hold property subject to trusts, which may arise as a result of a restricted-purpose gift, by the vesting in the DBF of a trust under the Incumbent and Churchwardens (Trusts) Measure 1964, or by the DBF acting as 'diocesan authority' and thus holding property on behalf of PCCs under the Parochial Church Council (Powers) Measure 1956.

should be made to synod by the trustees of the DBF, and that the synod's principal options thereafter are either to approve those proposals or to disapprove of them and hence request further development of them by the trustees. This model – it seems to me – best honours the combination of the fiduciary duties of the DBF directors as charity trustee and the oversight given to the diocesan synod.

The dictionary definition of a *"budget"* is *"the money that is available to an organization and a plan of how it will be spent over a period of time"*. As noted above, DBFs are complex organisations and this might be interpreted in different ways. The custom in St Albans has been to present a budget for the Common Fund. This has probably developed because the standing orders relating to financial business have a focus on *"the synod's funds"* (see in particular SO88 and SO94). Whilst the diocesan synod does not itself raise funds, and is thus in a different position to Parliament which raises taxation, the involvement of the diocesan synod in settling the parish share scheme has likely resulted in the association of income from that scheme with diocesan synod. Similarly, SO90 provides some context in identifying the expected lines of expenditure in a budget as being those items affecting bodies and committees responsible to synod.

Were it to be proposed that the budget be drafted on a wider basis than this – bringing in additional sources of income and expenditure – my view is that this would still be a proper means of allowing synodical oversight. However, it will be important to distinguish between general purpose funds (which in theory are able to follow policy decisions) and funds which are under external control – for example, because they are restricted funds subject to special trusts or otherwise regulated by statute law.

Having submitted budget proposals and obtained the synod's approval of them, the question then arises as to what flexibility the charity trustees possess to deviate from the approved budget. Again, it is important to pay due regard both to the synod's budgetary oversight role and to the management role of the charity trustees, which includes (among other things) duties to ensure that the charity complies with its legal and regulatory obligations and that charitable funds are managed efficiently and effectively. Charity trustees will, of course, be responsible for these matters in charity law and may be answerable to the Charity Commission should it raise any queries with the trustees about the DBF's charitable activities.

SO94 provides for a money resolution which authorises a total cap of authorised expenditure and prohibits spending in excess of that cap (at least insofar as the spending is from *"synod's funds"*). The wording of SO94 is directive and in my view this standing order is capable of constituting a direction on the DBF from the diocesan synod which is binding under section 3(1) of the Diocesan Boards of Finance Measure 1925. So it is clear that should it seem likely that <u>total</u> expenditure will exceed that cap, it is incumbent on the trustees to seek a further money resolution from the diocesan synod. In order to avoid confusion, the money resolution should take an equivalent approach to scope of *"synod's funds"* as the budget submitted for approval.

By contrast, the directions on the DBF in relation to excess expenditure on individual line items are more nuanced. There is no outright prohibition on spending within the overall cap but in excess of the amount proposed in a line item, but there are procedural consequences in that SO91 requires the DBF to submit supplementary budgets and SO92 requires the DBF to explain overspends.

There is no detail in the standing orders about control of underspends or over-recoveries. This means that 'surpluses' achieved are neither expressly prohibited nor do they require the production of a supplementary budget (although they will, of course, feature in the financial reporting to the diocesan synod). The result of this, in my view, is that although the DBF should seek to make its budgeting proposals as realistic as possible and although it should (consistent with wider duties as charity trustees) seek to deliver on the budget approved, any surplus achieved may either accepted into reserves or spent by the charity trustees subject to not exceeding the overall cap on spending. Similarly, it seems to me that, so long as the trustees remain within the overall spending cap set out in a money resolution, it is open to trustees to re-arrange funds within the DBF's internal accounting, such as by changing the terms on which certain funds are designated.

The standing orders impose procedural restrictions on proposals to extend spending within a financial year and, in particular, SO95 requires the DBF's consent to any motion which would extend a money resolution. In practice, if the diocesan synod wished to intervene to increase spending in a particular area, my suggestion would be that the best way to balance synodical oversight with charity trustee duties would be for the diocesan synod to request the DBF under SO91(ii) to prepare new budget proposals which would then be subject to debate and an approval vote.

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Diocesan Registrar
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